

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 571 – HB 1057

April 25, 2017

SUMMARY OF ORIGINAL BILL: Renames the Tennessee Baccalaureate Education System Trust Act and Program to the Tennessee College Savings Trust Act and Program. Changes the trustees of the Chairs of Excellence Trust Fund to specifically designate the membership of the state school bond authority as trustees. Replaces the chief executive officer of the state university and community college system with the president of one of the following state universities as a trustee: Austin Peay State University; East Tennessee State University; Middle Tennessee State University; Tennessee State University; Tennessee Technological University; or the University of Memphis. Requires each state university president to serve a three-year term, in alphabetical order by the state university. Authorizes the trustee to designate a proxy to attend the meetings and exercise the trustee's right to vote in the trustee's absence. Removes the Executive Director of the Tennessee Student Assistance Corporation from the board of trustees of the Tennessee College Savings Trust Program and substitutes instead a president of a state university.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (007564): Deletes and replaces language of the original bill to establish that the President, rather than a representative, of the Tennessee Independent Colleges and Universities Association shall serve on the board of trustees, and to remove the requirement that such member be appointed for a term of three years. Requires appropriations made to the trust to be divided equally between the general accounts of the University of Tennessee and the state universities, unless directed by law. Establishes the general account for the universities shall be a pooled account all of the state universities. Establishes that the trust shall be divided into two general accounts: one for the University of Tennessee and one pooled account on behalf of the state universities. Requires the chair of excellence program to satisfy criteria established by either the governing board of the University of Tennessee or respective state university in order for a chair to be established. Requires the Tennessee Higher Education Commission to have an advisory role with the respect to the location of the chairs upon recommendation of the governing boards of the University of Tennessee and respective state university. Establishes the new purpose of the chair to satisfy criteria established by either the governing board of the University of Tennessee or respective state university for the purpose of a chair to be modified.

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FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- No change in appropriated or expended funding pursuant to the Trust Act.
- No change in the number of trustees.
- It is assumed the boards of trustees, with the changed trustee composition as a result of the provisions of this bill as amended, will adopt similar policies and procedures which have been adopted under current law.
- These actions will be taken and performed within the normal course of board meetings and the normal course of business as the universities set up their independent governance structures as set forth by the F.O.C.U.S. Act. Therefore, no significant fiscal impact to state government.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/rbp